

12 AUG 1975

Mr. James M. Frey
Assistant Director for Legislative Reference
Office of Management and Budget
Washington, D. C. 20503

Dear Mr. Frey:

Enclosed is a revision of the report this Agency submitted on
S. 244, a bill to amend the National Security Act of 1947.

Advice is requested as to whether there is any objection to this
revision from the standpoint of the Administration's program.

Sincerely,

SIGNED

George L. Cary
Legislative Counsel

Enclosure

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WASHINGTON, D.C. 20505

Honorable John C. Stennis, Chairman
Committee on Armed Services
United States Senate
Washington, D. C. 20510

Dear Mr. Chairman:

This is in response to your request for comments on S. 244, a bill to amend the National Security Act of 1947 to clarify certain provisions of that Act regarding activities of the Central Intelligence Agency. The language of the bill is identical to the amendment to the Military Procurement Authorization Act of Fiscal Year 1975 (H. R. 14592, Section 703), approved by the Senate on 11 June 1974, which was the subject of my letter to you of 14 June 1974. As you know, the amendment was not approved by the conference committee.

S. 244 is very similar to the bill you introduced in the 93rd Congress--S. 2597 (copy enclosed). In response to your letter of 25 September 1974, I assured you that the Central Intelligence Agency will abide by the letter and the spirit of the provisions of S. 2597 in the conduct of our activities even though the bill had not been enacted.

In my confirmation hearings in July 1973 and in the two letters to you referred to above, I expressed my full support for those provisions now proposed in S. 244 which insert the word "foreign" immediately before the word "intelligence" in Section 102(d) of the 1947 Act, thus clearly expressing the mission of CIA as relating only to foreign intelligence. While I believe the word "intelligence" in the original Act was generally understood to refer only to foreign intelligence, the proposed language will make this limitation even clearer to Agency employees, other Government officials, and to the public.

I also indicated in the correspondence noted above that I was pleased to accept the provisions now proposed in S. 244 concerning Section 102(d)(5) of the Act, which converts to a statutory requirement

the long-standing practice of complete congressional oversight of our activities. Pursuant to current congressional procedures, the Agency reports fully on its activities to the oversight subcommittees of the House and Senate Armed Services and Appropriations Committees, and, under the recently enacted provisions of the Foreign Assistance Act Amendments of 1974 (P.L. 93-559, Section 32), reports on non-intelligence gathering activities to the Senate Foreign Relations Committee and the House Foreign Affairs Committee. I am confident that any other congressional procedures which may be established for oversight of Agency activities will meet the necessity for effective security.

S. 244 also adds a new Section 102(g)(1) to the Act, which reiterates the existing prohibitions against any police, law enforcement, or internal-security functions. At the same time, the new section makes clear that these proscriptions do not impinge upon this Agency's appropriate domestic activities, explicitly recognizing the necessity that the CIA protect its installations, conduct personnel investigations, and provide information to other agencies. It is silent, however, on the essential need--recognized in your original bill on this subject, S. 2597--for "carrying on within the United States activities necessary to support its foreign intelligence responsibilities"

The Central Intelligence Agency must conduct activities within the United States in support of its foreign intelligence responsibilities. Of course, such activity could not contravene the proscriptions in the Act against internal-security functions, but would be solely in support of our foreign intelligence mission, such as: (a) interviewing American citizens who are willing, voluntarily and without pay, to share foreign intelligence information in their possession with their Government; (b) collecting foreign intelligence from foreigners in the United States; (c) establishing support structures necessary to foreign intelligence operations abroad; and (d) providing technical assistance to the Federal Bureau of Investigation for its counterintelligence operations against foreigners. I think it important that any enactment explicitly recognize the legitimacy of these necessary support procedures so that the sphere of this Agency's domestic activities is clearly defined.

S. 244 adds a new Section 102(g)(2) which states that the Agency shall not "participate, directly or indirectly, in any illegal activity within the United States." I believe this section is inappropriate and unnecessary.

Section 102(d)(3) of the National Security Act of 1947 charges the Director of Central Intelligence with the responsibility "for protecting intelligence sources and methods from unauthorized disclosure." As you know, Mr. Chairman, I believe that more effective deterrents are needed to prevent unauthorized disclosures of intelligence sources and methods. I am hopeful that efforts to clarify this Agency's authority will ultimately be coupled with action to protect these essential resources, such as the proposal I submitted in January 1974 which is still under consideration in the Executive branch.

Please allow me to express my appreciation of your continuing interest in clear statutory delineation of CIA responsibilities. I wish to assure you of our understanding that the scope of this Agency's unique authority applies only to foreign intelligence and related activities.

The office of Management and Budget advises there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

W. E. Colby
Director

Enclosure